

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

Revised
Minutes &
Attachments

April 6, 2004

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FROM: **PATRICK J. MEAD**, Interim Director
Department of Public Works - Solid Waste Management Division

SUBJECT: **CONTRACTS FOR REMOVAL OF FIRE DEBRIS**

RECOMMENDATIONS:

1. Consent to the request of Ceres Environmental/Clauss to be relieved from their bid relative to fire debris removal.
2. Approve the following six contracts totaling \$1,289,142.50 for debris removal from property within the County's unincorporated area damaged by the Grand Prix and Old Fires.

Location	Contractor	Amount
a. Contract Area 1	Graham Crackers Demo Inc.	\$ 252,625.00
b. Contract Area 2	Stronghold Engineering	\$ 751,587.50
c. Contract Area 3	Stronghold Engineering	\$ 109,935.00
d. Contract Area 4	Stronghold Engineering	\$ 40,915.00
e. Contract Area 5	Graham Crackers Demo Inc.	\$ 78,405.00
f. Contract Area 6	Graham Crackers Demo Inc.	\$ 55,675.00

3. Authorize the Auditor/Controller-Recorder to increase the Solid Waste Management Division's FY 2003/2004 budget as follows for costs and revenues associated with the above debris removal contracts (4 votes required):

Accounting Codes	Description	Amount
EAA-SWM-SWM-200-2445	Professional Services	\$1,289,143
EAA-SWM-SWM-9095	Federal Reimbursement	\$ 562,136
EAA-SWM-SWM-8750	State Reimbursement	\$ 140,534
EAA-SWM-SWM-9970	Other	\$ 586,473

4. Find that waiving the \$78 debris removal permit fee for hardship property owners serves the public purpose of facilitating the clean-up of areas damaged by the Grand Prix and Old Fires.
5. Authorize the Solid Waste Management Division (SWMD) Manager and the SWMD Volunteer Coordinator to waive the \$78 debris removal permit fee for those property owners who have a demonstrated hardship.
6. Approve the following adjustments to the County General Fund's FY 2003/04 budget to provide the Land Use Services Department – Division of Building and Safety with sufficient local cost to offset the amount of loss revenues anticipated from the debris removal permit fee waivers (4 votes required):

Accounting Codes	Description	Amount
AAA-BNS- BNS -200-2135	Special Department Expense	\$ 7,000
AAA-CNR-CNR-600-6000	Contingencies	(\$ 7,000)

Record of Action of the Board of Supervisors

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BACKGROUND INFORMATION: On October 21, 2003, the Grand Prix Fire erupted in the northern portion of the City of Fontana and eventually burned over 59,488 acres; destroyed at least 135 residential structures and 1 commercial structure; and damaged another 71 residential structures and an unknown number of vehicles. On October 25, 2003, a second fire known as the Old Fire began in Waterman Canyon and quickly spread to 39th and 40th Streets in San Bernardino and into the City of Highland and the mountain and desert communities of the County of San Bernardino. This fire burned over 91,281 acres and destroyed approximately 993 residential structures, 10 commercial structures, and an unknown number of vehicles. A total of approximately 1,200 residential homes (the unincorporated areas and cities of the County) were either destroyed or damaged as the result of these two fires.

In the aftermath of these fires, the County developed a plan to facilitate widespread cost-effective debris removal for the County's unincorporated area, which was approved by the Board of Supervisors on December 16, 2003. Pursuant to that plan, on February 24, 2004, the Board authorized the Solid Waste Management Division (SWMD) to solicit bids from debris removal contractors. The original bid specified that the potential contractor would contract separately with each homeowner for debris removal from private property to the public right-of-way, and with the County for debris removal from the public right-of-way to the landfill or recycling facility. Bids were released on February 24, 2004, following the Board meeting, with bids due on March 26, 2004. The area impacted by the fires was divided into six geographic contract areas. Therefore, potential contractors would be submitting separate bids for the various areas.

At the same time the Board authorized SWMD to advertise for bids, the State of California Office of Emergency Services informed the County that it would be eligible to receive supplemental funding for the debris removal from private property, provided that other funding sources, such as other federal funds and insurance proceeds were collected.

A mandatory pre-bid meeting was held on March 4, 2004, in which 16 potential bidders attended. At that time, SWMD informed the bidders that there was the potential that debris removal from private property would be undertaken through a contract with the County, not as originally envisioned through contracts with individual property owners.

Once SWMD received direction from the County Administrative Office to proceed with a County contract program for debris removal from private property, instead of a split contract arrangement as originally envisioned, two addendums to the bid documents were subsequently issued on March 16 and 17, 2004. These addendum identified two main items: (1) The contract to remove debris from private property would be with the County, instead of individual property owners; and (2) a second pre-bid meeting would be held for bidders who did not attend the first mandatory pre-bid meeting; however, bids from the those bidders attending the second pre-bid meeting would only be considered for contract areas where no bid was received from a bidder who attended the first, mandatory pre-bid meeting.

Sealed bids were received and opened on March 26, 2004. All bids were evaluated and the lowest priced bid by a responsible and responsive bidder was determined as to each of the six geographic contract areas. Ceres Environmental/Clauss was the apparent low bidder for all six geographic areas. However, they made an oral request to the County within one working day of the bid opening to be relieved of their bid due to an error on their part in calculating the bid. Specifically, a clerical error was made in converting volume of waste into tons of waste, resulting in their use of less than one half of the correct amount of waste when calculating their bid. This oral request was then immediately followed by a written request to be relieved of their bid. This procedure is allowed by public Contract Code section 5101.

Approval of Recommendation No. 1 would consent to Ceres Environmental/Clauss's request to be relieved of their bid. Assuming that this request is approved, Recommendation No. 2 would approve contracts to the contractors who submitted the lowest bids in the respective contract areas. Since the cost for these contracts were not included in SWMD's FY 2003/04 Budget, approval of Recommendation No. 3 is needed to provide the SWMD with spending authority for these contracts. Recommendation No. 4 would find that waiving the existing \$78 debris removal permit fee for hardship property owners would assist in the County's effort of cleaning up the areas damaged by the fires. Recommendation No. 5 would authorize the SMWD Manager or Volunteer Coordinator to waive this fee for those property owners who have demonstrated a financial hardship based on certain criteria and verified by SWMD staff. At this time, SMWD anticipates that approximately ninety (90) of the affected property owners will meet the eligibility criteria for fee waiver. Recommendation No. 6 would provide the Building and Safety Division with \$7,000

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of County contingency funds in lieu of revenues not generated as a result of the permit fee waivers. On January 27, 2004, the Board approved the use of one-time County General Fund contingencies in an amount not to exceed to \$292,500 to reimburse the Division of Building and Safety for permit fees waived. Approval of Recommendation No. 6 is consistent with the Board's previous action, and would provide the Division with \$7,000 of local cost.

REVIEW AND APPROVAL BY OTHERS: This item was reviewed by Deputy County Counsel Robert Jocks (387-5435) on March 22, 2004; County Administrative Office (Tom Forster, Administrative Analyst, 387-4635) on March 29, 2004; and the Auditor-Controller/Recorder (Oscar Valdez, Accounting Manager, 386-8885) on March 29, 2004.

FINANCIAL IMPACT: The costs related to these six contracts, which totals \$1,289,142.50, will be accounted for in SWMD's operations budget (Fund: EAA Dept: SWM Org: OPS Appr: 200 Obj 2445). The portion of these costs that are related to debris removal from private property to the public right-of-way (\$539,627.50) will be financed by the individual property owners. If the property is abandoned, the State would fund 75% of the cost, and the County would fund the remaining 25%. In these instances, the County plans to place a lien on the property to recoup this cost. The portion of costs related to debris removal from the public right-of-way to the landfill or recycling center (\$749,515.00) is eligible for federal and state reimbursement and would be financed as follows: 75% federal funding, 18.75% state funding, and 6.25% local/County share. The County's share (approximately \$47,000) will be funded by SWMD.

In addition to the above, approval of this item would result in the County not receiving \$7,000 of permit fee revenues. However, this unrealized revenue will be offset by one-time funds previously set aside for this purpose.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and concurs with the department's proposal and recommends this action based on the following: the debris resulting from the Grand Prix and Old Fires requires removal, and an organized cleanup program is deemed as the best approach to reduce costs for both the private property owner and the County. In addition, the majority of costs related to these contracts are eligible for reimbursements from either the federal and state governments or from private property owners.

SUPERVISORAL DISTRICT: All.

PRESENTER: Peter H. Wulfman, 386-8703.